

## Message Text

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ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-08 TRSE-00 SS-15  
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INR-07 NSAE-00 XMB-04 OPIC-06 LAB-04 SIL-01 MMO-04  
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INRE-00 AGRE-00 /091 W  
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R 241113Z JAN 78  
FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC 4842  
INFO AMEMBASSY PARIS

UNCLAS SECTION 01 OF 02 VIENNA 00594

USOECD  
DEPT PASS COMMERCE FOR OITA  
DEPT PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: NA  
TAGS: OECD, EFIN, ETRD, ELAB, ECRP, AU  
SUBJECT: ECONOMIC INDICATORS ON SMALLER OECD COUNTRIES:  
AUSTRIA

REF: (A) 77 VIENNA 10909, (B) 77 VIENNA 10809,  
(C) 77 VIENNA 10953, (D) 77 VIENNA A-10.

THIS REPORT PROVIDES UPDATED STATISTICS ON AUSTRIAN  
ECONOMIC INDICATORS TO THE EXTENT THEY WERE AVAILABLE BY  
JANUARY 15, 1978. PRECEDING REPORT (REF A) PROVIDED  
STATISTICS AVAILABLE THROUGH DECEMBER 15, 1977. STATISTICS  
FORWARDED IN PRECEDING REPORTS, ON WHICH NO NEW DATA HAVE  
BECOME AVAILABLE, ARE NOT REPEATED. ITEM NUMBERING IS  
KEYED TO THE INITIAL REPORT.

ECONOMIC INDICATORS:

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(A) OUTPUT AND DEMAND

(1) INDUSTRIAL PRODUCTION (1971 100): 10/77: 130.0 --  
UP 2.7 PERCENT FROM 10/76, MAINLY DUE TO 6.4 PERCENT  
RISE IN OUTPUT OF FINISHED INVESTMENT GOODS AND 11.2  
PERCENT INCREASE IN PRODUCTION OF DURABLE CONSUMER  
GOODS. JAN-OCT/77 PRODUCTION GAIN AVERAGED 4.8 PERCENT,

LED BY INCREASES OF 6.2 PERCENT AND 12.8 PERCENT, RESPECTIVELY, IN THE AFOREMENTIONED TWO SECTORS, AND SUPPORTED BY A 9.1 PERCENT RISE IN ELECTRICITY OUTPUT. OUTPUT OF MINING AND BASIC MATERIALS ROSE ONLY 1.5 PERCENT.

(2) GNP: FOR FORECASTS 1977 AND 1978 SEE REF C.

(3) RETAIL SALES (1973 100, REAL TERMS): 10/77: 124.0 -- UP 10.8 PERCENT FROM 10/76, REFLECTING PRIMARILY A 33.0 PERCENT RISE IN SALES OF DURABLE CONSUMER GOODS, IN PARTICULAR MOTORVEHICLES (UP 43 PERCENT), OPTICAL EQUIPMENT (UP 44 PERCENT), ELECTROTECHNICAL ITEMS (UP 30 PERCENT), AND WATCHES AND JEWELRY (UP 31.4 PERCENT). ALL OF THESE COMMODITY GROUPS ARE SUBJECT TO 30 PERCENT VALUE ADDED TAX SINCE JANUARY 1, 1978. DURING JAN-OCT/77, RETAIL SALES ROSE BY 6.2 PERCENT OVER 1976, WITH DURABLES UP 14.4 PERCENT AND NON-DURABLES 3.4 PERCENT HIGHER.

(4) OUTPUT OF IMPORTANT PRODUCTS (1971 100): 10/77: MINING: 160.7; PETROLEUM: 104.1; IRON AND STEEL: 105.0; CHEMICAL: 154.7.

(B) PRICE INDICES

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(1) CPI (1976 100): 11/77: 106.2 -- UP 4.8 PERCENT FROM 11/76. JAN-NOV 77 AVERAGE INCREASE OVER 1976: 5.5 PERCENT. DECLINE TO 4.5 PERCENT ESTIMATED FOR 1978 (REF C).

(2) WPI (1976 100): 11/77: 102.1 -- UP 1.4 PERCENT FROM 11/76. JAN-NOV 77 AVERAGE INCREASE OVER 1976: 3.2 PERCENT.

(3) EXPORT PRICES (1971 100): 11/77: 133 -- UNCHANGED FROM 11/76. 10/77: 134. -- JAN-NOV 77 AVERAGE INCREASE OVER 1976 WAS 3.5 PERCENT, ALMOST MATCHING THE SIMULTANEOUS INCREASE IN IMPORT PRICES OF 3.6 PERCENT.

(C) MONEY SUPPLY

(1) M1 (AS BILLION): 11/77: 161.2 -- UP 6.4 PERCENT FROM 11/76. JAN-NOV/77 INCREASE OVER PRECEDING YEAR AVERAGED 5.6 PERCENT COMPARED WITH 17.2 PERCENT IN 1976.

(2) M2 (AS BILLION): 11/77. 208.6.

(3) REPRESENTATIVE SHORT TERM INTEREST RATE: CENTRAL BANK RATE UNCHANGED AT 5.5 PERCENT. TIGHT BANK LIQUIDITY RESULTING FROM HIGH OUTFLOW OF FOREIGN EXCHANGE RESERVES IN THE WAKE OF INCREASED BALANCE OF PAYMENTS DEFICITS, REDUCED SAVINGS RATE, AND RESTRICTIVE MONETARY POLICY, PUSHED MONEY RATES UP TO OVER 8 PERCENT BEFORE THE END OF 1977, A LEVEL HIGHER EVEN THAN ISSUING RATES FOR LONG TERM BONDS. WAYS AND MEANS ARE CURRENTLY UNDER DISCUSSION, AIMED AT A LOWERING OF CREDIT COSTS BY 2 TO 3 PERCENT FOR INDUSTRIAL INVESTMENT CREDITS, AND A REDUCTION OF INTEREST RATES ON

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ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 AID-05 EB-08 TRSE-00 SS-15  
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SSO-00 USIE-00 INRE-00 /092 W  
-----055545 042006Z /40/10

R 241113Z JAN 78  
FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC 4843  
INFO AMEMBASSY PARIS

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C O R R E C T E D C O P Y (CLASSIFICATION UNCLAS VICE CONFIDENTIAL)

CREDIT COSTS BY 2 TO 3 PERCENT FOR INDUSTRIAL INVESTMENT CREDITS, AND A REDUCTION OF INTEREST RATES ON SAVINGS DEPOSITS POSSIBLY LATER IN THE YEAR. THE ANTICIPATED DECLINE OF THE INFLATION RATE AND A RESUMED INCREASE IN PRIVATE SAVINGS ACTIVITIES MIGHT HELP TO MITIGATE THE BANKS' PRESENT RELUCTANCE TO YIELD TO THE AUTHORITIES' APPEALS FOR A LOWERING OF LENDING COSTS.

(4) REPRESENTATIVE LONG TERM INTEREST RATE (IN PERCENT):  
11/77: 8.98 (AVERAGE RATE ON SECONDARY MARKET).

(D) CENTRAL GOVERNMENT (1), (2), AND (3): FOR 1978 ESTIMATE  
SEE REF B.

(E) LABOR

(1) TOTAL EMPLOYMENT: 12/77: 2,742,714 -- UP 1.3 PERCENT FROM 12/76, BUT 0.8 PERCENT LESS THAN 11/77. 1977 AVERAGE: 2,737,147 OR 1.9 PERCENT MORE THAN 1976. FOR 1978, WIFO ANTICIPATES NO FURTHER INCREASE IN EMPLOY- UNCLASSIFIED

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MENT LEVELS.(REF C).

(2) UNEMPLOYMENT RATE (PERCENT): 12/77: 2.7. 1977 AVERAGE: 1.8. WHILE ECONOMIC FORECASTS ANTICIPATE INCREASE TO 2.5 PERCENT IN 1978 (REF C), AUSTRIAN TOP OFFICIALS LATELY REFERRED TO POSSIBLE INCREASE IN UNEMPLOYMENT RATE TO 3 PERCENT OR MORE, REFLECTING AVERAGE JOBLESS NUMBER OF 90, - 100,000 AFTER 51.165 IN 1977.

(3) GUEST WORKERS: 12/77: 193,607 -- UP 3.9 PERCENT FROM 12/76. 1977 AVERAGE: 188.863 OR 10 PERCENT MORE THAN 1976. AUTHORITIES CONSIDER REDUCTION IN THE NUMBER OF FOREIGN WORKERS IN 1978 BY BETWEEN 40, - 60,000 ON ANNUAL AVERAGE BASIS.

(4) WAGE INDEX (1956 100): 9/77: 575.2 -- UP 9.7 PERCENT FROM 9/76. MINIMUM COLLECTIVE WAGES IN INDUSTRY IN 11/77 EXCEEDED YEAR AGO LEVEL BY 8.4 PERCENT.

(F) TRADE AND PAYMENTS

(1) EXPORT VALUE (CUSTOMS BASIS FOB, AS MILLION): 11/77: 14,395; 10/77: 13,865. JAN-NOV 1977: 147,140 -- UP 7 PERCENT FROM 1976. SEASONALLY ADJUSTED: 1976: JAN 10,941, FEB 11,948, MAR 12,449, APR 11,906, MAY 12,810, JUN 12,344, JUL 12,675, AUG 13,671, SEP 12,966, OCT 12,895, NOV 13,486, DEC 13,628. 1977: JAN 13,332, FEB 12,757, MAR 14,205, APR 13,184, MAY 12,939, JUN 13,963, JUL 13,915, AUG 13,370, SEP 13,097.

(2) IMPORT VALUE (CUSTOMS BASIS CIF, AS MILLION): 11/77: 23,049; 10/77: 20,557. JAN-NOV 1977: 213,470 -- UP 14.1 PERCENT FROM 1976. SEASONALLY ADJUSTED: 1976: UNCLASSIFIED

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JAN 15,484, FEB 14,837, MAR 16,424, APR 16,283, MAY 16,815, JUN 16,499, JUL 17,097, AUG 18,367, SEP 18,220, OCT 16,878, NOV 19,761, DEC 19,382. 1977: JAN 17,911, FEB 18,365, MAR 18,790, APR 18,008, MAY 18,288, JUN

19,155, JUL 20,068, AUG 20,735, SEP 20,279.

(3) EXPORT VOLUME (THOUSANDS OF METRIC TONS): 11/77:  
1,032.9, 10/77: 992.3.

(4) IMPORT VOLUME (THOUSANDS OF METRIC TONS): 11/77:  
2,650.5, 10/77: 2,055.7.

(5) CURRENT ACCOUNT (AS MILLION EQUIVALENTS): 11/77: MINUS  
9,365, 10/77: MINUS 6,571. JAN-NOV 1977: MINUS 44,430  
COMPARED WITH MINUS 25,249 IN 1976.

(6) FOREIGN EXCHANGE RESERVES (AS MILLION EQUIVALENTS):  
11/77: 25,359, DOWN 42.3 PERCENT FROM 11/76 AND 2.4  
PERCENT LESS THAN THE 10/77 FIGURE OF 24,757.

(7)

(A) PUBLIC EXTERNAL LONG TERM DEBT (AS MILLION): 9/77:  
40,033.

(B) NEW PUBLIC EXTERNAL BORROWING (LONG TERM CREDITS AND  
BONDS) (AS MILLION): JAN-SEP 1977: 8,357.

(C) PRIVATE EXTERNAL LONG-TERM DEBT (INCLUDING BANKS AND  
NATIONALIZED ENTERPRISES) (AS MILLION): 9/77: 70,615.

(D) NEW PRIVATE EXTERNAL BORROWING (LONG TERM CREDITS AND  
BONDS) (AS MILLION): JAN-SEP 1977: 14,961. WOLF

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## Message Attributes

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